

6 FAH-2 H-240

SOCIOECONOMIC CONSIDERATIONS

(TL: CORH-1; 08-21-1997)

6 FAH-2 H-241 GENERAL

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(State Only)

a. The U.S. Government has a primary legal requirement to buy supplies and services on a competitive, efficient basis. However, the Government has also implemented—through the acquisition process—certain policies to foster socioeconomic objectives. Programs have been created to provide increased contracting opportunities to small and small disadvantaged businesses and women-owned businesses. Contractors must also comply with ancillary requirements arising under various laws and Executive Orders.

b. The largest socioeconomic programs consist of those which have been established for small businesses. The most noteworthy of the small business groups singled out for preferences are small business concerns and small business concerns owned by/controlled by socially and economically disadvantaged individuals. Both types of firms have been given special status in U.S. Government contracting under the Small Business Act (15 U.S.C. 631 et seq.).

c. A small business concern is defined in the Small Business Act as one which is independently owned and operated and which is not dominant in its field of operation.

d. A small business concern owned and controlled by socially and economically disadvantaged individuals is defined as one which:

- (1) Meets the Act's definition of "small business concern";
- (2) Is at least 51% owned or controlled by socially and economically disadvantaged individuals, and
- (3) Is under the control of such individuals for its management and daily business operations.

A firm meeting these requirements may be certified by the Small Business Administration (SBA) as an "8(a)" firm.

e. The methods by which the U.S. Government gives preference in connection with small business and small disadvantaged business are total set-asides or partial set-asides. Another method for furthering the Government's objectives for small and small disadvantaged business participation in acquisitions is by encouraging the use of such businesses as subcontractors.

f. Federal agencies have been directed to take appropriate action to facilitate, preserve and strengthen women's business enterprises and to ensure full participation by women. There are no specific set-aside programs for women-owned small businesses; however, the programs for small and small disadvantaged businesses under the Small Business Act are applicable to women-owned businesses.

6 FAH-2 H-242 ROLE OF THE COR

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a. It must be recognized that CORs and other requirements office personnel have a very important role in increasing small business participation. Their actions usually determine whether small firms will have a fair opportunity to compete. The Office of Small and Disadvantaged Business Utilization (A/SDBU) has provided the following guidance for CORs:

(1) Establish fair qualification and evaluation criteria for competitive negotiated procurements.

(2) Establish minimum corporate experience qualifications.

(3) Interview and identify small and disadvantaged business sources to be included in solicitation mailing lists.

(4) Identify potential 8(a) acquisitions.

(5) Establish solicitation requirements for technical and management proposals that are consistent with the complexity of the acquisition.

(6) Use minimum standards and specifications that are clear and concise and which do not unduly restrict competition.

b. A/SDBU screens all domestic acquisitions exceeding \$100,000 prior to solicitation to determine whether they should be set-aside for small or small disadvantaged businesses. The FAR requires that all domestic acquisitions between \$2,500 and \$100,000 be automatically set-aside for small businesses.

6 FAH-2 H-243 THROUGH H-249 UNASSIGNED